

DLAM 7000.5 CONTRACT ADMINISTRATION SERVICES ACCOUNTING PROCEDURES
PART 11 BRAND NAME SUBSISTENCE CONTRACTS
CHAPTER 1

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CHAPTER 1 BRAND NAME SUBSISTENCE CONTRACTS

11.1.1 CHAPTER OVERVIEW

A contractor is awarded a Brand Name Contract which specifies the terms and conditions under which the contractor will sell to the Government. Defense Logistics Agency Supply Bulletins are then issued pursuant to a Brand Name Contract, and contain items and prices against which actual orders, will be issued. The delivery order, (DPSC Form 300-M), is then issued, and is the actual order for the items. This order specifies items, quantities, prices, delivery period and other pertinent information.

11.1.2 SPECIAL PAYMENT PROCEDURES

a. All brand name subsistence contracts are Fast Pay regardless of dollar value (DAR 3-606.2/FAR 13.302).

b. Contractors do not utilize DD Form 250 for deliveries. The DPSC Form 300-M is utilized as the delivery document. To process deliveries against the LISSR, it is necessary to utilize the invoice and DPSC Form 300-M/300-1M. The continuation sheets 300-1M must be annotated to reflect deliveries, or the invoice will be returned. Upon receipt of an invoice, process the DPSC Form 300-M/300-1M as acceptance. Items which are not invoiced must be deleted on DPSC Form 300-M. If not deleted, the invoice will be returned to the contractor(s).

(1) For Invoices, Brand Name Offer, DPSC Form 3846 and Master Solicitation, DPSC Form 3971, the name and description of supplies as described in the order schedule shall continue to appear on the invoice.

(2) It is no longer necessary to enter the line item number on the invoice since this information shall be obtained by the Disbursing Office from the DPSC Form 300-1M, Continuation Sheet.

(3) A copy of the DPSC Form 300-M/300-1M should be included with the DPSC copy of the paid voucher for payments made where invoices do not properly identify the contract line items, or a copy of the MAAPR is not attached to the subvoucher sent to the accounting station.

c. All delivery orders are candidates to be paid under API. However, it is not uncommon for the invoices to be mechanically identified for manual review, because of price differences. When so identified the invoices will be processed as follows:

(1) If invoiced unit prices are lower than those specified in the delivery order, the invoice should be paid at lower price. If the payment is final, the funds remaining will be mechanically de-obligated by use of a Q transaction.

(2) If invoiced unit prices are higher than those specified in the delivery order, pay the amounts specified in the order and prepare DLA Form 1580. The form will be forwarded to DPSC-SPC showing the item number, the quantity shipped, unit price billed and unit price paid per delivery order. If DPSC-SPC determines the higher price should have been paid, a copy of the DLA Form 1580 will be approved and returned to the DCMD. Upon receipt, the DCMD will treat the form as a modification to establish additional funds on the CLR and issue a payment advising them: Payment in the amount of the delivery order has been processed, and DPSC-SPC have been advised. If determination is made that the higher price is in order, a supplemental check will be issued.

(3) The Accounting and Finance Office will forward all DLA Forms 1580 to DPSC-SPC via numbered letters of transmittal. A log will be maintained to assure all forms are returned. Appropriate follow-up will be accomplished as follows: (a) forms pertaining to payments already made at increased prices, within 30 days; (b) forms requesting approval prior to payment, within 30 days or discount period, whichever is less.

d. If a contractor invoices for quantities in excess of those called for in the delivery order, or which exceeds the quantity variance, process as follows:

(1) Pay only for those quantities authorized.

(2) Prepare and distribute DLA Form 1580, reflecting the item number, the quantities shipped, quantities authorized and the quantities paid.

11.1.3 INPUT INSTRUCTIONS

a. Upon receipt of a delivery order, the DCMD will enter the order into the system for payment only. These orders will be identified by functional limitation Code 3, and the ACO and part number will be automatically assigned. The items will be entered into the LISSR without a schedule.

b. The system will automatically assign these orders to part C of the CAR.

c. Instructions for entering these type of contracts are the same as others.

d. The invoice payment address in block 3 of DPSC Form 300-M must be carefully examined, as this address may not be the same as that contained in the ADRS. The system Alternate Payee Address will be supported by a contractual document or Notice of Assignment (NOA). In addition, block 3 may have a care of address. In no case is the care of address to be used for the payment address. If no payment address is given, the address in the ADRS should be utilized. There may also be instances where the order will contain a statement similar to payment, this will be made to the address as specified on the invoice. If this condition is noticed, DLA-CFF should be notified for further guidance.

e. Contractors are authorized to ship against advance copies of delivery orders. This may result in an invoice being received prior to the receipt of the delivery order. This condition will result in the invoice initially being assigned Reason Code C. The DCMD should contact DPSC-SPC to determine if a delivery order has been issued. Payment should be made upon receipt of the delivery order. If it is ascertained that a delivery order is not being issued, the invoice should be returned to the contractor advising that a contract was not awarded, and that they should contact DPSC-SPC.

f. Contractors may advise the DCMD that items are not being delivered by placing a statement on their invoice. The DCMD may also receive a Report of Item Discrepancy, SF 364 for items not delivered.

(1) When either condition occurs, the DCMD should notify DPSC-SPC, via a standard form letter.

(2) After verifying with the contractor his intent not to ship, DPSC will prepare a DPSC Form 2575 closing the contract and provide a copy to the DCMD.

(3) DCMDs may close the contract at anytime after 90 days have elapsed from the final delivery date (irrespective of receiving a DPSC Form 2575), provided that all payment actions have been completed. Enter the appropriate remark in the Contract Remark section stating the reason the contract closing will be delayed. Examples of when a contract should not be closed are:

(a) A DLA Form 1580, requesting approval of a unit price increase, is outstanding.

(b) An invoice has been returned to the contractor for correction.

(c) A communication has been received from DPSC advising that the contract is to remain open for items previously deleted by the contractor.

g. Occasion may arise where DPSC-SPC will return a DLA Form 1580, showing an approved remit price in excess of the contractors billed price. If this condition occurs, the DCMD should consider the difference as a Voluntary Price Reduction on the part of the contractor, and proceed as necessary, i.e., close contracts.

h. DPSC may issue DPSC Form 2575 to either delete ordered items, or to reinstate items which may have been previously canceled. These forms will be treated as a modification to the contract, and items decreased or increased accordingly, with corresponding CLR adjustments.

i. DPSC may issue DLA Form 1580 for a price change. If a DCMD receives this form from DPSC, it should be treated as a modification, and the unit price adjusted accordingly.

j. DPSC has begun issuing contracts containing FMS direct fund cites. The contracts clearly state, Since all disbursements are identified as cross- Service disbursements (FDRI 36B), DLA or that activity who performs DLA disbursing functions (e.g., DCMD) will forward all disbursement documents to USA Finance and Accounting Center (USAFAC), ATTN: Dept 110, Indianapolis, IN 46249. Although an Army fiscal station appears in the accounting classification, all disbursement documents will nevertheless be forwarded to USAFAC, not the fiscal station cited in the accounting classification.

k. In order to assure that FDRI 36B, Cash Disbursements and Reimbursements-Cross Disbursements, is properly assigned to transactions, you are advised to enter the accounting classification under Army Service Code 1; formatted as an Army accounting classification. This will automatically assign FDRI 36B and ensure proper reporting on RCS: CSCFA-110(R1) TFO Cross Disbursing Report and RCS: CSCFA-302 Report.

11.1.4 OUTPUT PRODUCTS

The input of data for Brand Name Subsistence Contracts does not produce separate output listings; the contract/order is merged with other contracts input in the same cycle. There are, however, specific forms associated with this type of contract in order to communicate with the Defense Personnel Support Center's Procurement Contracting Officers. DLA Form 1580, Invoice Payment Action Request and DPSC Form 2575, Memorandum for Record, are two of the most utilized.